Nasik People's Co-operative Bank

2131 SHRI SANJAY NIRUPAM Will the Minister of FINANCE be pleased to state

(a) whether RBI has imposed moratorium on the operations of the Nasik People's Co-operative Bank, recently,

(b) if so, the details thereof and the reasons therefor, and

(c) whether any action has been taken against the directors of the Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S S PALANIMANICKAM) (a) and (b) Reserve Bank of India (RBI) has reported that it has not imposed moratorium on the Nasik People's Co-operative Bank Ltd , Nashik However, the bank was placed under directions since 4th June, 2004 under section 35A of Banking Regulation Act, 1949 (As applicable to Co-operative Societies), which was subsequently modified on June 23, 2004 The direction, *inter-alia*, restricts acceptance of term deposits, sanction/renewal of loans and advances, make any investment, incur liability, etc Withdrawal is allowed upto Rs 10,000/- Accepting fresh deposits in Savings Bank and Current accounts, subject to certain conditions is permitted The bank was placed under direction to arrest further deterioration in its financial position as revealed by the statutory inspection of the bank conducted by RBI and to prevent preferential treatment, which was required to protect the interest of the depositors

(c) The statutory inspection of the bank had revealed serious irregularities and deficiencies of the bank In view of this, the Commissioner of Co-operation and Registrar of Co-operative Societies (RCS), Maharashtra was requisitioned to supersede the Board of Directors in May, 2004 The Board was superseded and Administrator was appointed on June 5, 2004 The RCS was advised on 2 6 2004 to fix accountability in respect of staff, officials and Board Members involved in the mismanagement of the affairs of the bank and take appropriate action

Infrastructural development

2132 SHRI MANOJ BHATTACHARYA Will the Minister of FINANCE be pleased to state

(a) whether Government provided in the Budget of 2003-04 a major thrust to infrastructural development through innovative funding